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June 7, 2002

Brigadier General Edwin J. Arnold, Jr.
U.S. Army Corps of Engineers
Mississippi Valley Division
P.O. Box 80
Vicksburg, Mississippi 39181-0080

Dear General Arnold:

On behalf of the American Soybean Association (ASA), I would like to thank the U.S. Army Corps of Engineers for allowing us to comment on your Draft Interim Report for the Upper Mississippi River and Illinois Waterway Navigation Study. This is a critically important issue to soybean farmers, and we sincerely hope that our comments are reflected in your final study.

As few things are as important to soybean farmers as an efficient inland waterway system is, ASA believes that it is absolutely imperative that the Interim Report endorse the modernization of the locks and dams on the Upper Mississippi and Illinois Waterways. More specifically, we believe your study should recommend that locks 20 through 25 on the Upper Mississippi River and the Peoria and LaGrange locks on the Illinois River be lengthened from 600 feet to 1,200 feet. We also believe that your study should endorse guide wall extensions on Mississippi River locks and dams 14 through 18.

Nearly every other row of soybeans grown here in the U.S. is exported each year. And over 75 percent of these soybean exports move to world markets via the Upper Mississippi River and Illinois River systems. Though the locks and dams of the Upper Mississippi and Illinois Waterways have served us well, they are beginning to deteriorate at an alarming rate.

Grain transportation on these rivers relies upon a 60-year-old lock and dam system that was built to handle 600 foot barges. Most barges today, however, are 1,200 feet long, requiring the barge to be split and sent through one section at a time – a process known as “double locking”. The delays caused by the double locking process are costing American farmers millions of dollars a year in higher transportation costs.

These higher transportation costs equate to lower commodity prices or fewer international sales for U.S. farmers. In fact, according to a recently released study of the

issue, failure to modernize our river infrastructure could lower soybean exports by 10 million bushels per year below 2020 projections. The study, authored by Mike Evans, an economics professor at Northwestern University's Kellogg Graduate School of Management, also claims that corn exports would decline by 68 million bushels per year below 2020 estimations.

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Meanwhile, our South American competitors are investing millions to improve their transportation infrastructure to make their grain more competitive in the global market. Argentina, for example, has invested over \$650 million to improve their transportation system. Likewise, Brazil is reviving its water transport network to reduce shipping costs for soybeans by at least 75 percent. As a result, Brazil and Argentina have captured 50 percent of the total growth in the world soybean market during the past three years. Further inaction with respect to the locks and dams of the Mississippi and Illinois Rivers will only allow this figure to grow.

Another important aspect of a modernized lock and dam system is the environmental benefits it would produce. According to the Environmental Protection Agency (EPA), towboats emit 35 to 60 percent fewer pollutants than trains or trucks. Likewise, a U.S. Department of Transportation (DoT) study reveals that a gallon of diesel fuel in a towboat can push a ton of freight two and a half times farther than rail and nine times farther than a truck. Also noteworthy is that fact that an average tow and barge replaces more than 800 semi-trucks on our nation's congested highway system.

Making the necessary upgrades to improve the Mississippi and Illinois Waterways would also protect jobs. Navigation on the Upper Mississippi and Illinois Rivers supports over 400,000 jobs. Roughly 90,000 of those happen to be high paying manufacturing jobs. However, the Evans study estimates that more than 20,000 jobs could be lost if nothing is done to improve the current system of locks and dams.

The bottom line is that U.S. soybean growers are no longer the lost-cost producers. What makes us competitive is our transportation infrastructure system. We have the ability to preserve this advantage, but we must be willing to act in a decisive manner. The time is now to modernize our transportation infrastructure on the Upper Mississippi and Illinois Waterways.

ASA thanks you for your consideration and looks forward to working with you in the future to improve the Mississippi and Illinois Waterways as a whole.

Sincerely,

A handwritten signature in dark ink, appearing to read "Brent D. Reed". The signature is fluid and cursive, with the first name "Brent" being the most prominent.

Bart Ruth
President

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Responses to comments from American Soybean Association.

The full evaluation of ecosystem and navigation improvement measures will be accomplished as part of the feasibility study. Tentative plans will be completed by October 2003 and shared with the stakeholders and public. A final recommendation will then be determined and documented in the final feasibility report scheduled for completion in 2004.